

Agency 540

**Employment Security Department****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>	2,181.5		538,687	538,687
<b>Total Maintenance Level</b>	2,186.0		521,302	521,302
Difference	4.5		(17,385)	(17,385)
Percent Change from Current Biennium	0.2%		(3.2)%	(3.2)%
<b>Performance Changes</b>				
Middle Management Reduction	(17.3)		(1,898)	(1,898)
General Inflation			(1,367)	(1,367)
State Choice - Unemployment Insurance Functions				
Readiness for Active Directory			2,087	2,087
<b>Subtotal</b>	(17.3)		(1,178)	(1,178)
<b>Total Proposed Budget</b>	2,168.7		520,124	520,124
Difference	(12.8)		(18,563)	(18,563)
Percent Change from Current Biennium	(0.6)%		(3.4)%	(3.4)%
<b>Total Proposed Budget by Activity</b>				
Administrative Overhead Costs	177.8		33,500	33,500
Business (Employer) Services	20.8		2,726	2,726
Employment and Training Services to Targeted Populations	750.1		290,609	290,609
Job Seeker Services	188.2		27,968	27,968
Labor Market and Economic Analysis	61.3		8,133	8,133
Re-Employment of UI Claimants	111.0		16,710	16,710
Unemployment Insurance, Benefits, and Taxation	876.9		134,978	134,978
Compensation Cost Adjustment			7,398	7,398
Middle Management Reduction	(17.3)		(1,898)	(1,898)
<b>Total Proposed Budget</b>	2,168.7		520,124	520,124

**PERFORMANCE LEVEL CHANGE DESCRIPTIONS****Middle Management Reduction**

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount.

**State Choice - Unemployment Insurance Functions**

Reed Act funds will be used to pay for state driven unemployment insurance functions currently funded by the federal unemployment insurance grant. (General Fund-Federal)

### **Readiness for Active Directory**

Appropriation authority is provided from available funds transferred to the State Unemployment Insurance Trust Fund under provisions of the Reed Act (Title IX of the federal Social Security Act, as amended by Section 209 of the Temporary Extended Unemployment Compensation Act [TEUCA] of 2002).

Reed Act funds will be used for a one-time investment to replace and upgrade desktop personal computers and laptops that do not meet minimum standards for Active Directory. They also will be used to purchase the information technology infrastructure components needed to enable the department to participate in the state's Department of Information Services' managed Enterprise Active Directory. (General Fund-Federal)

## **ACTIVITY DESCRIPTIONS**

### **Administrative Overhead Costs**

This activity provides for the core administrative overhead costs necessary to operate the Employment Security Department. This includes costs for the Commissioner, Quality, Communications, Personnel, Office Services, Contracts, Information Technology, and Fiscal and Budget. (Administrative Contingency Account, Employment Services Admin Account, Unemployment Compensation Admin Account)

### **Business (Employer) Services**

The Business Services activity engages the business community as partners in the agency's service delivery system. At the local level, staff members work with employers to generate job openings, assist with mass recruitment efforts, provide job tax credit and labor market information, arrange job fairs, and work with local economic development councils on potential new businesses. (Administrative Contingency Account, Unemployment Compensation Admin Account)

### **Employment and Training Services to Targeted Populations**

This activity offers the same basic services described under the Job Seeker/Employer Services activity; however, separate funding and performance criteria are established to provide for targeted populations. These populations include veterans, migrant and seasonal farm workers, welfare recipients, older workers, youth, persons with disabilities, and economically disadvantaged and dislocated workers. The primary legal authority under which these services are delivered is the federal Workforce Investment Act of 1998. (Unemployment Compensation Admin Account, Administrative Contingency Account, Employment Services Administrative Account)

### **Job Seeker Services**

Job Seeker Services provides the basic service delivery system for matching job seekers with employers who need workers. This is accomplished through a community-based service delivery system that provides: resume writing workshops, job skills development workshops, referrals to local training and education programs, a database of job seekers and available jobs, recruitment and screening of job applicants for employers, and individual referrals of qualified workers to employers. (Unemployment Compensation Admin Account)

### **Labor Market and Economic Analysis**

This activity provides economic data to businesses, private planners, educators, legislators, government agencies, media, and the general public. Information includes industry and occupational employment and earnings, labor supply and demand, economic forecasts, unemployment rates, and wage statistics. It is the primary source of labor market information supplied to decision makers in the state. (General Fund-Federal, Administrative Contingency Account, Employment Services Administrative Account, Unemployment Compensation Admin Account)

### **Re-Employment of UI Claimants**

This is a targeted effort to expedite the re-employment of claimants currently drawing benefits from the state's unemployment insurance trust fund. (Employment Services Administrative Account)

### **Unemployment Insurance, Benefits, and Taxation**

Established in 1935 by the federal Social Security Act, the unemployment insurance program provides partial replacement of wages to workers unemployed through no fault of their own. Paid by employer taxes, unemployed residents receive benefits each week while they are searching for new employment. Staff members administer benefits, collect taxes from employers, detect and collect money for overpayments, manage the unemployment trust fund, and administer the Old Age Survivors Insurance program. (Unemployment Compensation Admin Account, Administrative Contingency Account)

## **HUMAN SERVICES - OTHER**

### **Compensation Cost Adjustment**

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.

### **Middle Management Reduction**

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount. These savings will be assigned to the appropriate activities after the budget is enacted.